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November 2, 2001

**Via Facsimile Transmission and
Express Mail**

State Water Resources Control Board
Tom Peltier, Division of Water Rights
P. O. Box 2000
Sacramento, CA 95812-2000

Re: ***Statement by the City of Needles for November 14, 2001 Public Workshop
on the California Colorado River Water Use Plan***

Dear Sirs:

The City of Needles and other water users in the arid California communities along the Colorado River have monitored with considerable concern the Quantification Settlement Agreement ("QSA") and the California Colorado River Water Use Plan ("California Plan"). The efforts to allocate and reallocate rights to the Colorado River water have historically not well served the smaller water users along the River who should be the natural beneficiaries of the River's bounty. The California Plan threatens these users in two ways: the implementation of the new interim surplus criteria will render useless the surplus contracts that users along the River have relied upon to augment water supplies; and the lining of the All American Canal ("AAC") threatens the long term viability of the Lower Colorado Water Supply Project ("LCWSP") a federal initiative intended to address the water needs of users along the River.

The City of Needles, on its own behalf and on behalf of other water users along the River, respectfully requests that the State Water Resources Control Board and the other agencies in charge of implementing the California Plan address the needs of the communities along the River and allocate sufficient water to meet their current and reasonable future needs. These communities have no other reasonably available supply of water, as both the River that flows by them, and the groundwater that underlies them, have been reserved almost exclusively for far more powerful communities many miles from the River.

When water rights to the Colorado River were originally allocated, communities and undeveloped lands along the Colorado River received very little, if any, perfected rights to the Colorado River. As the ground water in the vicinity of the River is accounted for as River water,

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these communities and undeveloped lands have little or no water which they are entitled to use. Consequently, many users along the River pump River or ground water "illegally".

In an effort to address the historical inequities of allocation of California River water and provide for current and future water needs of California communities along the lower Colorado River, Congress enacted the Lower Colorado Water Supply Act, Public Law 99-655. The Act authorized the construction of a small-scale well field along the All American Canal to pump up to 10,000 acre feet of water into the Canal from the underlying aquifer. The pumped water is to be exchanged for an equivalent amount of Colorado River water which is to be used by eligible Project users. These users include "the City of Needles, the town of Winterhaven, and other domestic, municipal, industrial and recreational water users along the Colorado River in the State of California," and include recreational lands leased from, or operated by, the BLM.

Two of the four wells anticipated by the Act have already been installed, at a cost in excess of one million dollars to the City of Needles, alone. The California River Board and the Bureau of Reclamation, in conjunction with the City of Needles, are currently engaged in a process to implement the Act by subcontracting with eligible Project water users. In September, 2001, the CRB sent notices to the owners of approximately 20,000 parcels that overlie the aquifer that the UCGS has determined to be hydrologically connected to the Colorado River, notifying them of the availability of subcontracts for Project water. In the next year, the BOR and Needles plan to subcontract with many of these actual and potential users, who will be required to pay a proportionate share of the construction and operational costs of the Project. Subcontractors will depend on Project water for current needs and will rely on the availability of Project water for future development.

An important element of the California Water Plan is the lining of the All American Canal. The lining is intended to conserve approximately 100,000 acre feet that would otherwise seep from the unlined canal into the underlying aquifer, the very aquifer from which the Lower Colorado Water Supply Project pumps its water.

The lining of the AAC was the subject of an environmental impact statement/report finalized in 1994. At that time, the City of Needles questioned the affect of the lining project on the LCWSP. The report concluded that the lining of the AAC would not affect the LCWSP. The report noted that the lining would inevitably reduce the ground water recharge in the vicinity of the well field, and that water levels would be expected to eventually fall below pre-canal levels. However, given the depth of the wells (440 feet), it was not anticipated that falling water levels would significantly reduce the wells' ability to access a sufficient quantity of water.

However, there remains a question with respect to water quality. The Act, and the implementing water exchange agreement among the United States, IID, and CVWD, require that the quality of water pumped into the canal from the well field be equal to, or greater than, that of the water in the AAC. The final environmental impact statement notes that "the LCWSP well field has

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been designed to accommodate the post-lining decline in ground-water elevation. If pumping in the Mexicali Valley continues at historic levels, ground-water of poorer quality would be expected to migrate into the well field area. Reclamation estimates that the change in water quality would not exceed 2 milligrams per liter per year after the lining is installed." (Response to letter 18, p. F-39, Final Environmental Impact Statement, All-American Canal Lining Project.)

Apparently little is known regarding the quality of groundwater underlying and adjacent to the All-American Canal. Ground-water studies performed for the LCWSP did not specifically address the potential for intrusion of poor quality water should the All-American Canal be lined. There was some concern that accelerating development of the full-scale 10,000 acre-foot per year well field would increase the potential for poor quality water from the East Mesa area migrating into the well field and jeopardizing the exchange agreement with IID.

Over the last few years, pursuant to a request by the City of Needles, the Bureau of Reclamation has reviewed available information regarding water quality in the vicinity of the LCWSP. In a letter dated April 25, 2000 to the Needles city attorney, the Bureau noted:

"[While] water quality at the wells appears adequate at present, it is not clear from information now available what changes in quality may occur over time once the sustained pumping is initiated. We believe that even though the AAC lining environmental impact statement estimates a maximum increase in salinity of two parts per million per year, additional studies to estimate impacts are warranted."

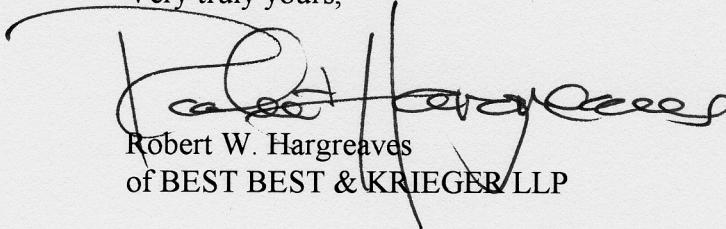
The possibility that the lining of the AAC and the full development of the LCWSP would reduce water quality below the levels required by the exchange agreement is of great concern to the City. This possibility jeopardizes the water supply that the City has acquired after such great effort and on which the City and other users along the Colorado River rely for future development.

Another key element of the QSA and California Plan is the implementation of the Bureau's recently adopted interim surplus criteria. The new surplus criteria require that any surplus River water be allocated first to meet the domestic use and off-stream banking activities of Metropolitan Water District and Southern Nevada Water Authority. It is unlikely that any surplus will remain for the smaller entities along the River that have traditionally relied on surplus to supplement their water supplies. Those users will now need to rely completely on the Lower Colorado Water Supply Project, to the extent that their water needs exceed their present perfected rights.

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Any comprehensive plan for use of Colorado River water must address the current and future needs of the communities that, under normal circumstances, would be entitled to make reasonable beneficial use of the water that flows beside them and rests beneath them. The City of Needles, and the other communities in the vicinity of the River, respectfully request that the Water Board proactively address their needs, as the planning and implementation process moves forward.

Very truly yours,



Robert W. Hargreaves
of BEST BEST & KRIEGER LLP

RWH:dm

cc: Richard Rowe, Interim City Manager, City of Needles
Jeffrey Woods, City Engineer, City of Needles